

PRESIDENT BUSH BACKS NORMAL TRADE RELATIONS WITH VIETNAM

On June 8, President Bush sent a bilateral agreement for normal trade relations with Vietnam to Congress. The agreement, signed last year in Hanoi, would permit the US to normalize trade relations with Vietnam in exchange for Vietnam opening its market to increased US goods, services and investment. On June 1, President Bush issued an annual waiver allowing US companies doing business in Vietnam continued access to U.S. Export-Import Bank loans plus additional government export assistance. Senator Max Baucus (D-MT), the new Senate Finance Committee Chairman, has indicated that he plans to move the Vietnam trade agreement quickly through committee. Bilateral trade with Vietnam has risen from \$224 million in 1994 to nearly \$1.2 billion last year.

UNDERSTANDING TRADE PROMOTION AUTHORITY: A BUSINESS ROUNDTABLE SPECIAL REPORT

What is Trade Promotion Authority (TPA)?

Trade Promotion Authority gives our trade negotiators credibility at the negotiating table by requiring Congress to vote “up or down” on a trade agreement within a given period of time. Our trading partners understand that Congress has the final authority to implement U.S. trade agreements. Nevertheless, they have expressed an unwillingness to negotiate without some assurance that Congress will vote on an agreement without amendments and within a given period of time. Trade Promotion Authority gives Congress a strong role in expressing U.S. negotiating objectives and requires the Executive Branch to consult widely with Congress and the public before and during negotiations. After the negotiations, Trade Promotion Authority permits Congress to reject an agreement. Without TPA, the President can determine his own negotiating objectives, initiate foreign trade negotiations without congressional approval and refuse to consult Congress during trade negotiations.

Why is TPA Important?

Without a strong web of preferential trade agreements, the United States is at a competitive disadvantage in the global economy.

- The United States is currently included in only two of the 130 regional trade agreements in force today.
- The European Union has free trade agreements with 27 countries and is negotiating 15 more.
- Mexico has agreements with 28 countries and is negotiating with South America and Japan.
- 33% of the world's exports were covered by EU free trade and customs agreements compared to the 11% covered by US agreements.
- Without trade agreements, some US computer exports face tariffs as high as 20 percent.

Where the United States currently stands:

- ✓ In recent history, between one-quarter and one-third of our economic growth has been the result of exports.
- ✓ Exports support around 12 million jobs and these jobs typically pay 13 to 18 percent more than the average US wage.
- ✓ 1/3 of US farmland is dedicated to exports
- ✓ The high-tech industry accounts for 29 percent of US merchandise exports.
- ✓ The United States leads the world in service exports, with exports in the sector growing by 38 percent since the mid 1990s.

Trade Promotion Authority will help us retake our lead in the global economy:

- ✓ TPA is a proven success. From 1975 to 1994, TPA helped the United States become the most competitive nation in the world.
- ✓ Trading partners are more likely to grant us substantial concessions if they are confident that the final agreement will be considered as a whole and in a reasonable amount of time.

JOIN BRT goTRADE IN YOUR STATE

BRT goTRADE is a national grassroots trade education program with affiliates in 25 states designed to help Americans better understand the benefits of international trade. If you would like more information or are interested in joining BRT's goTRADE network, please send an email to brtgotrade@yahoo.com with your name and contact information. Please make sure to indicate your state (Alabama, California, Connecticut, Florida, Georgia, Illinois, Iowa, Kansas, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Washington, & Wisconsin) in the subject field. Welcome aboard!